



LEO-MESDAG

Improvement of the 4 April 2014 Modification Proposal



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0 Summary

- IEF and advisers have listened carefully to your considerations -addressed as per this further modification
- IEF offers an additional interest coupon on Class A Notes:
 1. EUR **15m** or 2.3% of EUR 642.5m; and
 2. The coupon will only become **payable if and to the extent** Class A Notes have not been redeemed for 70% or more per IPD May 2016
- The remainder of the coupon amount not becoming so payable will be **added to IEF's Refinance Support Commitment**
- Consequently, all Classes of Notes benefit from this clear signal of IEF's commitment towards Leo-Mesdag
- Further alignment of interests of sponsor IEF and Noteholders whilst Noteholders' re-coupons request addressed in a meaningful manner
- The Modification Proposal which was the subject of the 4 April 2014 voting-meeting furthermore remains exactly the same to facilitate your processing, the improvements herein are additional
- There are no further rebounds if this proposal were inadvertently not be adopted



1 Mechanics

- Upon adoption and legal implementation of the Modification Proposal, IEF deposits EUR 15m
- Such amount will be deposited in a segregated account, pledged to Leo-Mesdag and Security Trustee
- At each IPD, a part of this amount is released to IEF which part corresponds to: (a) the amount to be repaid on the Senior Facility A1 on such IPD; divided by (b) EUR 500m
- EUR 500m repayment on Senior Facility A1 corresponds to EUR 450m or 70% repayment on Class A Notes (as EUR 53.6m of initial EUR 150m repayments is allocated pro rata towards Class B-E)
- Simultaneously, at each such IPD, the Refinance Support Commitment Ledger is credited with the same amount as to facilitate further refinancings



1 Mechanics

- Per IPD May 2016 (taking into account redemptions to be made on such date) the balance then standing to the segregated account is paid as extra interest coupon on the Senior Facility A1 loan and subsequently by Leo-Mesdag on the Class A Notes
- In other words, on a cumulative basis until (and including) May 2016, the EUR 15m is allocated as follows:

$$\text{Extra Refinance Support Commitment} = \frac{\text{Actual Repayment on SFA1 up to EUR 500m}}{\text{EUR 500m}} \times \text{EUR 15m}$$

$$\text{Extra Class A Interest Payment} = \left(1 - \frac{\text{Actual Repayment on SFA1 up to EUR 500m}}{\text{EUR 500m}}\right) \times \text{EUR 15m}$$



2 Class A Payment May 2016

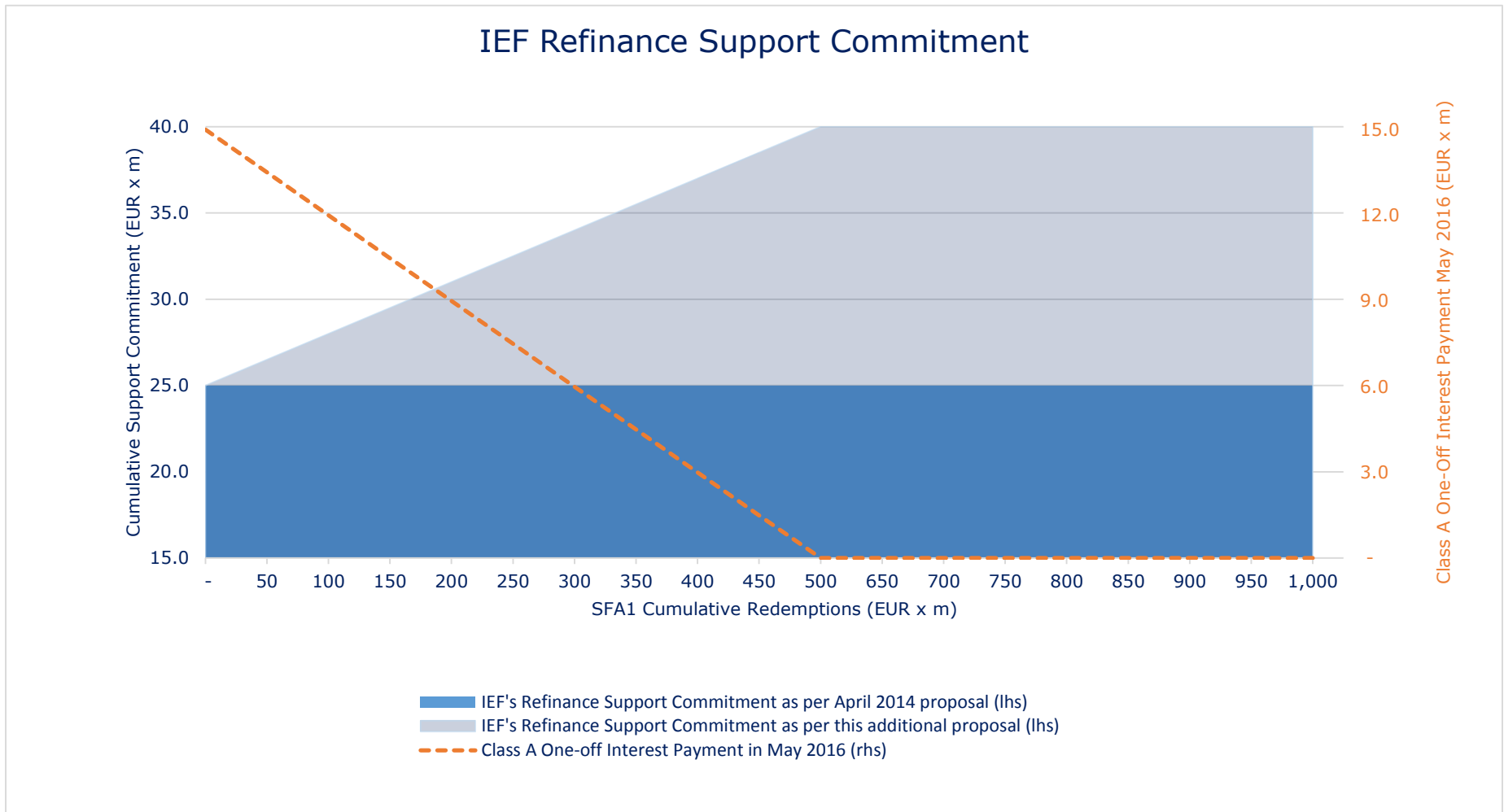
- The foregoing results in the following indicative one-off payment on Class A Notes (examples) on May 2016 IPD

Cumulative Repayment Class A Notes	Cumulative Repayment Class A Notes	Senior Facility Repayment Equivalent ¹	Increase IEF's Refinance Support Commitment	Class A One-off Interest Payment May 2016	Class A One-off Interest Payment May 2016 as % of EUR 642.5m	Interest Re-Coupons Equivalent
%	EUR x m	EUR x m	EUR x m	EUR x m	%	% p.a.
0.0%	-	-	-	15.0	2.3%	1.1%
20.0%	128.5	182.1	5.5	9.5	1.5%	0.8%
40.0%	257.0	310.6	9.3	5.7	0.9%	0.9%
60.0%	385.5	439.1	13.2	1.8	0.3%	0.2%
> 70.0%	449.8	503.4	15.0	-	0.0%	0.0%

¹ Different from amounts in column directly to the left due to pro rata allocation of first EUR 150m of refinancings/disposals of which EUR 53.6m would be applied towards Classes B-E



2 Class A-E Additional Refi Support



3 Conclusions & Process

- This proposal addresses considerations ventilated by Noteholders:
 - Extra, though conditional, interest coupon Class A Notes
 - Further facilitating refinancings for benefit of all Noteholders
 - “Put-your-money-where-your-mouth-is” principle applying to IEF
 - Extra to the 4 April 2014 Modification Proposal which remains exactly the same
- Process:
 - Initial Noteholders Meetings Friday 6 June
 - Deadline for your electronical votes Wednesday 4 June 17hrs CET
 - No adjourned Noteholders Meetings scheduled yet
 - We encourage you to again engage in these votings!



4 Contact Details & Annex

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Included by reference (and unchanged):

Annex 1: Slides Presentation dated 13 March 2014 titled "Leo Mesdag – Deflating Balloon Risk through gradual Refinancing"

Annex 2: Excel file dated 21 March 2012 titled "Leo Mesdag Overview Properties Annex & Cash Flow Model"

Annex 3: Slides Presentation dated 26 March 2014 titled "Leo Mesdag – Addressing noteholders' suggestions & further improvements"

